

Meeting Minutes

January 19, 2006, 10 to 11 a.m.
Department of Finance, Redwood Room

Attendees:

Laura Aguilera (SPB), Bill Avritt (DPA), Deborah Baker (DOF, BSDU), Randy Baker (DOF, BSDU), Vince Brown (DOF), Caroline Cabias (BOE), Veronica Chung-Ng (DOF, BOS), Stephen Clemons (CEAP), Diana Earl (AOC), Sue Griffith (SCO, DAR), Ron Joseph (DGS), Clark Kelso (State CIO), Les Lombardo (SCO), Freda Luan-Dun (DOF), Priscilla Moss (CDCR, BIS), Michael Navarro (DPA), Claudina Nevis (State CIO), Frank Nissen (DOF, BSDU), Dr. Amar Prakash (CDCR, BIS), Andrea Rohmann (CDCR, BIS), Don Scheppmann (SCO, HRMS), Alan Setser (SCO, DAR), Terrie Tatosian (DMH), Nancy Valle (SCO), Ben Williams (DWR)

The meeting commenced at 10:12 a.m.

Minutes from the November 17, 2005 were adopted without dissent.

Presentation by Administrative Office of the Courts (Diana Earl):

Hard copies of a slide presentation were distributed to all attendees. Diana discussed the experiences and lessons learned by the Administrative Office of the Courts (AOC) in their acquisition and deployment of an SAP Enterprise Resource Planning (ERP) system to the Trial Courts. The 58 courts were previously administered by their respective counties.

- In 1997, the passage of the Lockyer-Isenberg Trial Court Funding Act (AB 233) initiated the unification of all municipal trial courts with the superior courts in California and created a new consolidated state level Judicial Branch. The AOC has met significant challenges in preparing for the deployment of an enterprise system to so many courts.
- In preparation, surveys were distributed to determine the trial courts processing topology. The results highlighted the poor technical infrastructure and the dependence on the counties for administrative services that were not meeting the needs of the courts.
- The planning timeline started in 1999-2000 with the Judicial Council strategic plan; in 2001-02 a BCP was submitted, a consultant was brought on board and technology upgrades necessary prior to implementation were identified; in 2002-03 the Judicial Council approved the statewide administrative initiatives to transition the various county court systems; the operational plan kicked-off in 2004-05 (expected to continue through 2007) and the information technology (IT) architecture was defined; the IT architecture and integrated project plan continue to evolve.
- Vince Brown asked how long the planning for the new system took. Diana indicated that the initial planning took a full-year, but that planning has been evolving and ongoing as the various courts are implemented. It took them a year to get through the Request for Proposal (RFP) process for split procurement (software/systems integrator).
- SAP 4.6c was selected from four vendors (including Oracle and J.D. Edwards) for the trial courts enterprise system.
- Current implementation includes SAP finance and human resources modules. Fixed assets, budgeting, cash and grants management modules will be added in the near future.
- The selection of E.A. Consulting for the pilot implementation (Stanislaus County) brought the benefit of working with a smaller, more flexible enterprise. Lessons learned were carried forward by the AOC in their selection of Bearing Point for their statewide implementation.

- Roll-out is occurring in parallel. AOC also did a parallel RFP for “hosting” the application since the AOC does not have sufficient staffing. Siemens was selected as the “hosting partner” to provide operational support for the application and assist with technical assessments at the court to identify connectivity options.
- Significant challenges faced so far include:
 - Putting a secure LAN/WAN infrastructure in place for the courts allowing them to be independent of their county infrastructure
 - Coordinating and working with various vendors during this ‘enterprise’ effort
 - Dealing with business drivers that override implementation issues, sometimes requiring interim “work-arounds”
 - Communications and coordination between the courts is handled through a user group with participants from the courts that are currently being implemented. Subject Matter Experts are brought in from the courts to assist in the design and testing of the solutions. Much work has been involved in establishing subgroups, determining priorities, timing and decision processing. Final decisions rest with the AOC Executive Team, including their Chief Information Officer (CIO), Chief Financial Officer, the Director of Human Resources and the six Regional Directors.

Status Updates:

Updates were provided by attending departments currently involved in ERP acquisitions or implementations:

State Controllers Office (Don Scheppmann):

- Bids are due for their system integrator by noon, January 19, 2006
- Drafts of the work plans and roll-outs were approved prior to the vendors’ final bids
- The Bid Evaluation schedule includes eight work days for each proposal and three work days for each cost proposal

Department of Water Resources (Ben Williams):

- The Department of Water Resources (DWR) project is in the realization phase
- Their current core transition team includes 100 people
- The team recently completed the business process master list which includes 26,000 entries
- They have completed 69 process definition documents as a result of blue printing
- Seven SAP staff are currently performing an SAP quality assurance assessment on the DWR system
- Training plans started January 19, 2006 and will include at least one visit to each of 40 sites
- SAP “Info Pack” training is in process. Ben strongly recommended the “Info Pack” as a critical tool in any SAP implementation
- Their initial assessments of the effort to implement the SAP Budget Planning System (BPS) indicated that it should work well; in particular since position control as a payroll function (SCO) will not need to be implemented.

California Department of Corrections and Rehabilitation (Andrea Rohmann):

- The California Department of Corrections and Rehabilitation (CDCR) Special Project Report (SPR) received final approval from Finance on January 10, 2006. The SPR was necessary to expand their project for the entire CDCR organization, including recently consolidated entities.
- The RFP was delivered to Department of General Services on January 11, 2006. The CDCR anticipates the RFP will be approved and released in the next few months.

Budget Systems Development Unit (Randy Baker):

- Informatix has been selected to be the consultant for the statewide Chart of Accounts (COA) and Standards project and the Budget Information System (BIS) software procurement.
- Informatix has partnered with Gartner. The contract will run through 2007-08.
- The COA and Standards effort will be complete by the end of the fiscal year. The plan is to take the COA as far as the development of common definitions and standards. The final COA will be somewhat dependent on the particular software acquired for the BIS.
- Clark Kelso asked how statewide information will be exchanged between differing systems and stressed the importance of having a universal COA. Randy Baker responded that given disparate state systems interfaces are problematic, and that the primary focus of the COA project at this point is based on the Finance budget systems needs. Clark warned against building proprietary structures into a statewide COA; that the emphasis should be on the lowest common denominator.

Draft EPAC Charter:

- This discussion has been postponed to the next EPAC meeting, scheduled for Thursday, March 16, 2006.

State CIO Remarks (Clark Kelso):

- Clark is very pleased at the great EPAC attendance. He also commented that funding for ERP projects was included in the 2006-07 Governor's Budget which will ensure the support necessary to move forward.
- He expressed concern that the state is "hedging our bets" by allowing for a proliferation of multiple systems for departments rather than a consolidated effort.
- Clark stressed the important of coordination and thanked Vince Brown for sponsoring the EPAC. Collaboration between entities impacted by ERPs is critical to get the greatest value from these systems. The lessons learned from others, such as the many shared by DWR, are important to the statewide perspective. The EPAC provides a good forum for this sharing.
- He noted that the Department of Transportation Feasibility Study Report approval letter, dated January 10, 2006, requires that they participate in the EPAC.
- Finance taking the lead in continuing the EPAC forum also lends a level of leadership to statewide enterprise strategy that would be missing otherwise.

Closing Comments (Vince Brown):

- Vince thanked everyone for attending and gave special thanks to Diana Earl, who gave an excellent presentation. The meeting included an excellent information exchange; Vince stressed that we need to continue talking to each other and that one failure will affect us all.
- Vince concluded the meeting at 11:25 a.m.

Next Steps:

- The next meeting is scheduled for March 16, 2006, 10:00 to 11:00 a.m., in the Redwood Room (915 L Street, Lower Level).
- Future meetings have also been scheduled from 10 to 11 a.m. in the Redwood Room on the following dates (all Thursdays): 4/20/06, 5/18/06, 6/15/06, 7/20/06, 8/17/06, 9/21/06, 10/19/06, and 11/16/06. Please update your calendars.
- Items for the March meeting agenda include:
 - EPAC Charter
 - Informatix presentation on the COA project